



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2022
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-I

Roll Number

TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES	PART-I (MCQS) PART-II	MAXIMUM MARKS = 20 MAXIMUM MARKS = 80
NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered.		

PART-II

- Q. No. 2.** Differentiate among the own price elasticity, cross-price elasticity and income elasticity of demand. Explain the practical significance/uses of own price elasticity and income elasticity of demand. **(20)**
- Q. No. 3.** What happens to interest rate if prices change along a given Aggregate Demand Schedule? Explain with the help of IS-LM model. **(20)**
- Q. No. 4.** Discuss the significance of investment in human capital for economic development in Pakistan. How the brain drain from a developing country retards the process of economic development? **(20)**
- Q. No. 5.** Differentiate among the tax, fee and price. Express your views about tax collection to GDP ratio in Pakistan. Suggest measures to enhance and rationalize tax revenue in Pakistan. **(20)**
- Q. No. 6.** State and explain the functions of a central bank. How successful the State bank of Pakistan has been in achieving its objectives over time? Discuss. **(20)**
- Q. No. 7.** Specifically describe the types of inflation. Which type of inflation is the most disturbing in Pakistan? Suggest measures to address the identified inflation problem. **(20)**
- Q. No. 8.** Write short notes on any two of the followings. **(10 each) (20)**
- (i)** Size distribution vs. functional distribution of income
 - (ii)** Privatization
 - (iii)** International trade and cartels
